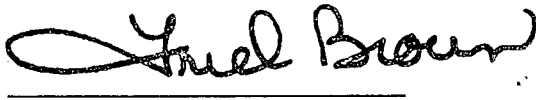


I certify this to be a true and correct  
copy of the indicated document as  
referred or transmitted to committee.

Chief Clerk of the House

FILED NOV 13 2006

By: 

H.B. No. 120

A BILL TO BE ENTITLED

AN ACT

relating to state funding and tuition charged for courses provided  
during off-peak hours at certain public institutions of higher  
education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 61, Education Code, is  
amended by adding Section 61.0592 to read as follows:

Sec. 61.0592. FUNDING FOR COURSES PROVIDED DURING OFF-PEAK  
HOURS AT CERTAIN INSTITUTIONS. (a) The purposes of this section  
are:

(1) to ensure that student demand for courses is met;

and

(2) to encourage the efficient use of existing  
instructional facilities while reducing the need for new  
instructional facilities.

(b) This section applies only to funding for a course  
provided by:

(1) The University of Texas at Austin;

(2) Texas A&M University; or

(3) Texas Tech University.

(c) To carry out the purposes of this section, for each  
institution of higher education listed under Subsection (b), the  
board shall include in the formulas established under Section  
61.059 funding in amounts sufficient to cover the institution's

1 revenue loss resulting from any reduction in tuition rates under  
2 Section 54.061.

3 (d) In addition to the funding included under Subsection  
4 (c), in the formulas established under Section 61.059, as an  
5 incentive for the institutions to reduce tuition rates under  
6 Section 54.061, the board may include additional funding that  
7 represents a portion of the savings to the state resulting from the  
8 institution's efficient use of resources.

9 SECTION 2. Subchapter B, Chapter 54, Education Code, is  
10 amended by adding Section 54.061 to read as follows:

11 Sec. 54.061. REDUCED TUITION RATES FOR COURSES PROVIDED  
12 DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. In accordance with  
13 coordinating board rules and for the purposes stated in Section  
14 61.0592, the governing board of an institution of higher education  
15 to which Section 61.0592 applies may establish resident and  
16 nonresident tuition rates that are lower than the applicable rates  
17 otherwise required or authorized by this chapter for a course  
18 offered:

19 (1) during the evening;  
20 (2) on weekends; or  
21 (3) at other times that the institution's  
22 instructional facilities would otherwise be underutilized, as  
23 determined by the board.

24 SECTION 3. As soon as practicable after the effective date  
25 of this Act, the Texas Higher Education Coordinating Board shall  
26 adopt rules under which public institutions of higher education may  
27 establish lower tuition rates in accordance with Section 54.061,

1 Education Code, as added by this Act.

2       SECTION 4. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2007.

# HOUSE COMMITTEE REPORT

1<sup>st</sup> Printing

07 APR 11 AM 2:05  
HOUSE OF REPRESENTATIVES

By: Brown of Brazos

H.B. No. 120

## A BILL TO BE ENTITLED

### AN ACT

relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0592 to read as follows:

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(1) to ensure that student demand for courses is met;

and

(2) to encourage the efficient use of existing instructional facilities while reducing the need for new instructional facilities.

(b) This section applies only to funding for a course provided by:

(1) The University of Texas at Austin;

(2) Texas A&M University; or

(3) Texas Tech University.

(c) To carry out the purposes of this section, for each institution of higher education listed under Subsection (b), the board shall include in the formulas established under Section 61.059 funding in amounts sufficient to cover the institution's

1 revenue loss resulting from any reduction in tuition rates under  
2 Section 54.061.

3 (d) In addition to the funding included under Subsection  
4 (c), in the formulas established under Section 61.059, as an  
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13 coordinating board rules and for the purposes stated in Section  
14 61.0592, the governing board of an institution of higher education  
15 to which Section 61.0592 applies may establish resident and  
16 nonresident tuition rates that are lower than the applicable rates  
17 otherwise required or authorized by this chapter for a course  
18 offered:

19 (1) during the evening;  
20 (2) on weekends; or  
21 (3) at other times that the institution's  
22 instructional facilities would otherwise be underutilized, as  
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1 Education Code, as added by this Act.

2       SECTION 4. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2007.

COMMITTEE REPORT

The Honorable Tom Craddick  
Speaker of the House of Representatives

4/4/07  
(date)

Sir:

We, your COMMITTEE ON HIGHER EDUCATION

to whom was referred HB 120 have had the same under consideration and beg to report back with the recommendation that it

- ( ☒ ) do pass, without amendment.  
( ☐ ) do pass, with amendment(s).  
( ☐ ) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.  
( ☒ ) yes ( ☐ ) no A fiscal note was requested.  
( ☐ ) yes ( ☒ ) no A criminal justice policy impact statement was requested.  
( ☐ ) yes ( ☒ ) no An equalized educational funding impact statement was requested.  
( ☐ ) yes ( ☒ ) no An actuarial analysis was requested.  
( ☐ ) yes ( ☒ ) no A water development policy impact statement was requested.  
( ☐ ) yes ( ☒ ) no A tax equity note was requested.  
( ☐ ) The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor \_\_\_\_\_

Joint Sponsors: \_\_\_\_\_

Co-Sponsors: \_\_\_\_\_

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Morrison, Chair	<input checked="" type="checkbox"/>			
McCall, Vice-chair	<input checked="" type="checkbox"/>			
Brown, F.	<input checked="" type="checkbox"/>			
Alonzo	<input checked="" type="checkbox"/>			
Aycock	<input checked="" type="checkbox"/>			
Giddings				<input checked="" type="checkbox"/>
Howard				<input checked="" type="checkbox"/>
Patrick	<input checked="" type="checkbox"/>			
Rose	<input checked="" type="checkbox"/>			

Total      7 aye  
                 0 nay  
                 0 present, not voting  
                 2 absent

Deanne W. Mowin  
CHAIR

## **BILL ANALYSIS**

H.B. 120  
By: Brown, Fred  
Higher Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Increases in attendance during off-peak hours and enhanced utilization of university facilities would contribute to students graduating within the time allotted for their degree plan. This will decrease overcrowding within the degree programs and enable the institution to offer the available positions to other qualified students.

HB 120 establishes a 2 year pilot program whereby the closed enrollment universities in Texas may offer reduced tuition for courses taken during off-peak hours.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 3 of this bill.

### **ANALYSIS**

SECTION 1: Subchapter C, Chapter 61, of the Education Code is amended by adding additional language for the purpose of funding for courses provided during off peak hours at certain institutions. The new language is for the purpose of ensuring that demand for coursework is met and encourages the efficient use of existing instructional facilities while reducing the need for new instructional facilities. The facilities affected by this language are the University of Texas at Austin, Texas A&M University, or Texas Tech University.

To carry out the purposes of the new language, the board shall include in the formulas, a funding amount sufficient to cover the institution's revenue loss resulting from any reduction in tuition rates. As an incentive for the institutions to reduce tuition rates, the board may include additional funding that represents a portion of the savings to the state resulting from the institution's efficient use of resources.

SECTION 2: Subchapter B, Chapter 54 of the Education Code is amended by adding additional language for the purpose of reduced tuition rates for courses provided during off-peak hours at certain institutions. The governing board of an institution of higher education may establish resident and nonresident tuition rates that are lower than the applicable rates otherwise required or authorized for a course offered during the evening, on weekends, or at other times that the institutional facilities would otherwise be underutilized.

SECTION 3: As soon as practicable after the effective date of this Act, the Texas Higher Education Coordinating Board shall adopt rules under which public institutions of higher education may establish lower tuition rates.

SECTION 4: Effective date.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.



## SUMMARY OF COMMITTEE ACTION

HB 120

March 19, 2007 8:00 AM

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Considered in public hearing

Left pending in committee

April 04, 2007 upon lunch recess

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Considered in formal meeting

Reported favorably without amendment(s)

2  
+

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 16, 2007**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** **HB120** by Brown, Fred (Relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
---

Under provisions of the bill, the University of Texas at Austin, Texas A&M University and Texas Tech may offer lower reduced tuition rates for courses during off-peak hours. The Higher Education Coordinating Board used the following assumptions to calculate the tuition losses to the three schools: 1) The three institutions would actually offer off-peak courses. 2) That 15% of the students currently enrolled actually sign up for the off-peak courses. 3) The reduction in tuition rates would be 15%. 4) That both undergraduate and graduate courses would be offered during off-peak hours. 5) It is unknown the additional dollar savings that may occur with courses offered off-peak. 6) No consideration was given to the institutions that currently offer flat rate tuition and the implications a reduction in tuition may entail. Flat-rate tuition rates vary depending on the student's institution, program, classification and rates they currently pay and as a result the fiscal impact on reductions in flat-rate tuition cannot be estimated.

Using these criteria the Coordinating Board calculated that for Texas A&M, a 15% discount will cost the school \$11,290,248 per year in tuition losses. For the University of Texas at Austin, a 15% discount will cost the school \$13,265,393 per year, and for Texas Tech, a 15% discount will cost the school \$6,921,869 per year. The total for these three institutions, at a 15% discount, will cost \$31,477,510 per year. To the extent that the State reimburses the estimated tuition losses under the current formulas the impacted institutions would have increased formula general revenue as compared to institutions that do not offer the reduced tuition rates.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 733 Texas Tech University, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, SSh, GO

SECOND READING  
ENGROSSMENT

By: Brown of Brazos

H.B. No. 120

A BILL TO BE ENTITLED

AN ACT

relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0592 to read as follows:

Sec. 61.0592. FUNDING FOR COURSES PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) The purposes of this section are:

(1) to ensure that student demand for courses is met;  
and

(2) to encourage the efficient use of existing instructional facilities while reducing the need for new instructional facilities.

(b) This section applies only to funding for a course provided by:

- (1) The University of Texas at Austin;
- (2) Texas A&M University; or
- (3) Texas Tech University.

(c) To carry out the purposes of this section, for each institution of higher education listed under Subsection (b), the board shall include in the formulas established under Section 61.059 funding in amounts sufficient to cover the institution's

1 revenue loss resulting from any reduction in tuition rates under  
2 Section 54.061.

3 (d) In addition to the funding included under Subsection  
4 (c), in the formulas established under Section 61.059, as an  
5 incentive for the institutions to reduce tuition rates under  
6 Section 54.061, the board may include additional funding that  
7 represents a portion of the savings to the state resulting from the  
8 institution's efficient use of resources.

9 SECTION 2. Subchapter B, Chapter 54, Education Code, is  
10 amended by adding Section 54.061 to read as follows:

11 Sec. 54.061. REDUCED TUITION RATES FOR COURSES PROVIDED  
12 DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. In accordance with  
13 coordinating board rules and for the purposes stated in Section  
14 61.0592, the governing board of an institution of higher education  
15 to which Section 61.0592 applies may establish resident and  
16 nonresident tuition rates that are lower than the applicable rates  
17 otherwise required or authorized by this chapter for a course  
18 offered:

19 (1) during the evening;  
20 (2) on weekends; or  
21 (3) at other times that the institution's  
22 instructional facilities would otherwise be underutilized, as  
23 determined by the board.

24 SECTION 3. As soon as practicable after the effective date  
25 of this Act, the Texas Higher Education Coordinating Board shall  
26 adopt rules under which public institutions of higher education may  
27 establish lower tuition rates in accordance with Section 54.061,

1 Education Code, as added by this Act.

2         SECTION 4. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2007.

# HOUSE ENGROSSMENT

By: Brown of Brazos

H.B. No. 120

## A BILL TO BE ENTITLED

### AN ACT

relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.

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1 revenue loss resulting from any reduction in tuition rates under  
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15 to which Section 61.0592 applies may establish resident and  
16 nonresident tuition rates that are lower than the applicable rates  
17 otherwise required or authorized by this chapter for a course  
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19 (1) during the evening;  
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22 instructional facilities would otherwise be underutilized, as  
23 determined by the board.

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1 Education Code, as added by this Act.

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4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2007.



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 16, 2007**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** HB120 by Brown, Fred (Relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
---

Under provisions of the bill, the University of Texas at Austin, Texas A&M University and Texas Tech may offer lower reduced tuition rates for courses during off-peak hours. The Higher Education Coordinating Board used the following assumptions to calculate the tuition losses to the three schools: 1) The three institutions would actually offer off-peak courses. 2) That 15% of the students currently enrolled actually sign up for the off-peak courses. 3) The reduction in tuition rates would be 15%. 4) That both undergraduate and graduate courses would be offered during off-peak hours. 5) It is unknown the additional dollar savings that may occur with courses offered off-peak. 6) No consideration was given to the institutions that currently offer flat rate tuition and the implications a reduction in tuition may entail. Flat-rate tuition rates vary depending on the student's institution, program, classification and rates they currently pay and as a result the fiscal impact on reductions in flat-rate tuition cannot be estimated.

Using these criteria the Coordinating Board calculated that for Texas A&M, a 15% discount will cost the school \$11,290,248 per year in tuition losses. For the University of Texas at Austin, a 15% discount will cost the school \$13,265,393 per year, and for Texas Tech, a 15% discount will cost the school \$6,921,869 per year. The total for these three institutions, at a 15% discount, will cost \$31,477,510 per year. To the extent that the State reimburses the estimated tuition losses under the current formulas the impacted institutions would have increased formula general revenue as compared to institutions that do not offer the reduced tuition rates.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 733 Texas Tech University, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, SSh, GO

1-1 By: Brown of Brazos (Senate Sponsor - Shapiro) H.B. No. 120  
1-2 (In the Senate - Received from the House April 23, 2007;  
1-3 April 26, 2007, read first time and referred to Subcommittee on  
1-4 Higher Education; May 15, 2007, reported adversely, with favorable  
1-5 Committee Substitute from Committee on Education by the following  
1-6 vote: Yeas 5, Nays 0; May 15, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 120 By: West

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to state funding and designated tuition charged for  
1-11 courses provided during off-peak hours at certain public  
1-12 institutions of higher education.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subchapter C, Chapter 61, Education Code, is  
1-15 amended by adding Section 61.0592 to read as follows:

1-16 Sec. 61.0592. FUNDING FOR COURSES PROVIDED DURING OFF-PEAK  
1-17 HOURS AT CERTAIN INSTITUTIONS. (a) The purposes of this section  
1-18 are:

1-19 (1) to ensure that student demand for courses is met;  
1-20 and

1-21 (2) to encourage the efficient use of existing  
1-22 instructional facilities while reducing the need for new  
1-23 instructional facilities.

1-24 (b) This section applies only to funding for a course  
1-25 provided by:

1-26 (1) The University of Texas at Austin;

1-27 (2) Texas A&M University; or

1-28 (3) Texas Tech University.

1-29 (c) To carry out the purposes of this section, for each  
1-30 institution of higher education listed under Subsection (b), the  
1-31 board shall include in the formulas established under Section  
1-32 61.059 funding in amounts sufficient to cover the institution's  
1-33 revenue loss resulting from any reduction in tuition rates under  
1-34 Section 54.061.

1-35 (d) In addition to the funding included under Subsection  
1-36 (c), in the formulas established under Section 61.059, as an  
1-37 incentive for the institutions to reduce tuition rates under  
1-38 Section 54.061, the board may include additional funding that  
1-39 represents a portion of the savings to the state resulting from the  
1-40 institution's efficient use of resources.

1-41 SECTION 2. Subchapter B, Chapter 54, Education Code, is  
1-42 amended by adding Section 54.061 to read as follows:

1-43 Sec. 54.061. REDUCED DESIGNATED TUITION RATES FOR COURSES  
1-44 PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) This  
1-45 section applies only to a course offered by an institution of higher  
1-46 education:

1-47 (1) beginning at 6 p.m. or later during a weekday;

1-48 (2) on weekends; or

1-49 (3) at other times when the institution's  
1-50 instructional facilities would otherwise be underutilized, as  
1-51 determined by the governing board of the institution.

1-52 (b) In accordance with coordinating board rules and for the  
1-53 purposes stated in Section 61.0592, the governing board of an  
1-54 institution of higher education to which Section 61.0592 applies  
1-55 may establish tuition rates under Section 54.0513 for a course  
1-56 described by Subsection (a) that are not more than 25 percent lower  
1-57 than the rates that would otherwise apply to the course under that  
1-58 section.

1-59 (c) This section applies only if the legislature  
1-60 specifically appropriates money to institutions to which Section  
1-61 61.0592 applies for the state fiscal biennium ending August 31,  
1-62 2009, to cover the tuition revenue lost to the institutions by the  
1-63 application of this section.

2-1 SECTION 3. As soon as practicable after the effective date  
2-2 of this Act, the Texas Higher Education Coordinating Board shall  
2-3 adopt rules under which public institutions of higher education may  
2-4 establish lower tuition rates in accordance with Section 54.061,  
2-5 Education Code, as added by this Act.

2-6 SECTION 4. This Act takes effect immediately if it receives  
2-7 a vote of two-thirds of all the members elected to each house, as  
2-8 provided by Section 39, Article III, Texas Constitution. If this  
2-9 Act does not receive the vote necessary for immediate effect, this  
2-10 Act takes effect September 1, 2007.

2-11 \* \* \* \* \*

FAVORABLY AS SUBSTITUTED  
SENATE COMMITTEE REPORT ON

SB SCR SJR SR HB HCR HJR 120  
By Brown / Shapiro  
(Author/Senate Sponsor)  
5-15-07  
(date)

We, your Committee on EDUCATION, to which was referred the attached measure,  
have on 5/15/07, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed  
☐ the caption remained the same as original measure  
☒ the caption changed with adoption of the substitute  
  
☐ do pass as substituted, and be ordered not printed  
  
☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☒ yes ☐ no

Considered by subcommittee. ☒ yes ☐ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Shapiro, Chair	<input checked="" type="checkbox"/>			
Senator Janek, Vice-Chair	<input checked="" type="checkbox"/>			
Senator Averitt			<input checked="" type="checkbox"/>	
Senator Ogden			<input checked="" type="checkbox"/>	
Senator Patrick	<input checked="" type="checkbox"/>			
Senator Van de Putte	<input checked="" type="checkbox"/>			
Senator West	<input checked="" type="checkbox"/>			
Senator Williams			<input checked="" type="checkbox"/>	
Senator Zaffirini			<input checked="" type="checkbox"/>	
TOTAL VOTES	5	0	4	0

COMMITTEE ACTION

☒ S260 Considered in public hearing  
☐ S270 Testimony taken

[Signature]  
COMMITTEE CLERK

[Signature]  
CHAIR

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute  
Retain one copy of this form for Committee files

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 120  
By: Brown, Fred (Shapiro)  
S/C on Higher Education  
5/14/2007  
Subcommittee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Increases in attendance during off-peak hours and enhanced utilization of university facilities could contribute to students graduating within the time allotted for their degree plan. As a result, overcrowding within degree programs could decrease and the institution would enable to offer the available positions to other qualified students.

C.S.H.B. 120 establishes a two-year pilot program that authorizes closed enrollment universities in Texas to offer reduced tuition for courses taken during off-peak hours.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 2 (Section 54.061, Education Code) and SECTION 3 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.0592, as follows:

Sec. 61.0592. FUNDING FOR COURSES PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) Provides that the purposes of this section are to ensure that student demand for courses is met, and to encourage the efficient use of existing instructional facilities while reducing the need for new instructional facilities.

(b) Provides that this section applies only to funding for a course provided by The University of Texas at Austin, Texas A&M University, or Texas Tech University (institution).

(c) Requires the Texas Higher Education Coordinating Board (THECB) to include in the formulas established under Section 61.059 (Appropriations) funding in amounts sufficient to cover the institution's revenue loss resulting from any reduction in tuition rates under Section 54.061 to carry out the purposes of this section, for each institution of higher education listed under Subsection (b).

(d) Authorizes THECB to include additional funding that represents a portion of the savings to the state resulting from the institution's efficient use of resources, in addition to the funding included under Subsection (c), in the formulas established under Section 61.059, as an incentive for the institutions to reduce tuition rates under Section 54.061.

SECTION 2. Amends Subchapter B, Chapter 54, Education Code, by adding Section 54.061, as follows:

Sec. 54.061. REDUCED DESIGNATED TUITION RATES FOR COURSES PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) Provides that this section applies only to a course offered by an institution of higher education beginning at 6 p.m. or later during a weekday, on weekends, or at other times when the institution's instructional facilities would otherwise be underutilized, as determined by the governing board of the institution.

(b) Authorizes the governing board of an institution, in accordance with THECB rules and for the purposes stated in Section 61.0592, to establish tuition rates under Section 54.0513 for a course described by Subsection (a) that are not more than 25 percent lower than the rates that would otherwise apply to the course under that section.

(c) Provides that this section applies only if the legislature specifically appropriates money to institutions to which Section 61.0592 applies for the state fiscal biennium ending August 31, 2009, to cover that tuition revenue lost to the institutions by the application of this section.

SECTION 3. Requires THECB, as soon as practicable after the effective date of this Act, to adopt rules under which public institutions of higher education may establish lower tuition rates in accordance with Section 54.061, Education Code, as added by this Act.

SECTION 4. Effective date: upon passage or September 1, 2007.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 14, 2007**

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** HB120 by Brown, Fred (Relating to state funding and designated tuition charged for courses provided during off-peak hours at certain public institutions of higher education.),  
**Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB120, Committee Report 2nd House, Substituted: a negative impact of (\$38,612,518) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	(\$19,306,259)
2009	(\$19,306,259)
2010	(\$19,306,259)
2011	(\$19,306,259)
2012	(\$19,306,259)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain/(Loss) from INSTITUTIONAL FUNDS 997</b>
2008	(\$19,306,259)	(\$19,306,259)
2009	(\$19,306,259)	(\$19,306,259)
2010	(\$19,306,259)	(\$19,306,259)
2011	(\$19,306,259)	(\$19,306,259)
2012	(\$19,306,259)	(\$19,306,259)

**Fiscal Analysis**

Under provisions of the bill, the University of Texas at Austin, Texas A&M University and Texas Tech may offer lower reduced tuition rates for courses during off-peak hours.

**Methodology**

The Higher Education Coordinating Board used the following assumptions to calculate the tuition losses to the three schools: 1) The three institutions would actually offer off-peak courses. 2) That 15% of the students currently enrolled actually sign up for the off-peak courses. 3) The reduction in tuition rates would be 25%. 4) That undergraduate courses would be offered during off-peak hours. 5) It is unknown the additional dollar savings that may occur with courses offered off-peak. 6) No

consideration was given to the institutions that currently offer flat rate tuition and the implications a reduction in tuition may entail. Flat-rate tuition rates vary depending on the student's institution, program, classification and rates they currently pay and as a result the fiscal impact on reductions in flat-rate tuition cannot be estimated.

Using these criteria the Coordinating Board calculated that for Texas A&M, a 25% discount will cost the school \$7,217,028 per year in tuition losses. For the University of Texas at Austin, a 25% discount will cost the school \$8,085,030 per year, and for Texas Tech, a 25% discount will cost the school \$4,004,201 per year. The total for these three institutions, at a 25% discount, will cost \$19,306,259 per year. To the extent that the State reimburses the estimated tuition losses under the current formulas the impacted institutions would have increased formula general revenue as compared to institutions that do not offer the reduced tuition rates.

Based on the following language in the bill, "This section applies only if the legislature specifically appropriates money to institutions to which Section 61.0592 applies for the state fiscal biennium ending August 31, 2009, to cover the tuition revenue lost to the institutions by the application of this section," it is assumed that an equivalent amount of general revenue funds would be needed to reimburse the university for the loss of designated tuition revenue.

#### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 733 Texas Tech University

**LBB Staff:** JOB, MN, RT, SSh, GO



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 2, 2007**

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** HB120 by Brown, Fred (Relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

Under provisions of the bill, the University of Texas at Austin, Texas A&M University and Texas Tech may offer lower reduced tuition rates for courses during off-peak hours. The Higher Education Coordinating Board used the following assumptions to calculate the tuition losses to the three schools: 1) The three institutions would actually offer off-peak courses. 2) That 15% of the students currently enrolled actually sign up for the off-peak courses. 3) The reduction in tuition rates would be 15%. 4) That both undergraduate and graduate courses would be offered during off-peak hours. 5) It is unknown the additional dollar savings that may occur with courses offered off-peak. 6) No consideration was given to the institutions that currently offer flat rate tuition and the implications a reduction in tuition may entail. Flat-rate tuition rates vary depending on the student's institution, program, classification and rates they currently pay and as a result the fiscal impact on reductions in flat-rate tuition cannot be estimated.

Using these criteria the Coordinating Board calculated that for Texas A&M, a 15% discount will cost the school \$11,290,248 per year in tuition losses. For the University of Texas at Austin, a 15% discount will cost the school \$13,265,393 per year, and for Texas Tech, a 15% discount will cost the school \$6,921,869 per year. The total for these three institutions, at a 15% discount, will cost \$31,477,510 per year. To the extent that the State reimburses the estimated tuition losses under the current formulas the impacted institutions would have increased formula general revenue as compared to institutions that do not offer the reduced tuition rates.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 733 Texas Tech University, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, SSh, GO

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 16, 2007**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** HB120 by Brown, Fred (Relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

Under provisions of the bill, the University of Texas at Austin, Texas A&M University and Texas Tech may offer lower reduced tuition rates for courses during off-peak hours. The Higher Education Coordinating Board used the following assumptions to calculate the tuition losses to the three schools: 1) The three institutions would actually offer off-peak courses. 2) That 15% of the students currently enrolled actually sign up for the off-peak courses. 3) The reduction in tuition rates would be 15%. 4) That both undergraduate and graduate courses would be offered during off-peak hours. 5) It is unknown the additional dollar savings that may occur with courses offered off-peak. 6) No consideration was given to the institutions that currently offer flat rate tuition and the implications a reduction in tuition may entail. Flat-rate tuition rates vary depending on the student's institution, program, classification and rates they currently pay and as a result the fiscal impact on reductions in flat-rate tuition cannot be estimated.

Using these criteria the Coordinating Board calculated that for Texas A&M, a 15% discount will cost the school \$11,290,248 per year in tuition losses. For the University of Texas at Austin, a 15% discount will cost the school \$13,265,393 per year, and for Texas Tech, a 15% discount will cost the school \$6,921,869 per year. The total for these three institutions, at a 15% discount, will cost \$31,477,510 per year. To the extent that the State reimburses the estimated tuition losses under the current formulas the impacted institutions would have increased formula general revenue as compared to institutions that do not offer the reduced tuition rates.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 733 Texas Tech University, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, SSh, GO

# ADOPTED

MAY 18 2007

By:

Brown / Shapiro

Substitute the following for H.B. No. 120:

By:

WFA

Secretary of the Senate

H.B. No. 120

C.S.H.B. No. 120

## A BILL TO BE ENTITLED

### AN ACT

relating to state funding and designated tuition charged for courses provided during off-peak hours at certain public institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0592 to read as follows:

Sec. 61.0592. FUNDING FOR COURSES PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) The purposes of this section are:

(1) to ensure that student demand for courses is met;

and

(2) to encourage the efficient use of existing instructional facilities while reducing the need for new instructional facilities.

(b) This section applies only to funding for a course provided by:

(1) The University of Texas at Austin;

(2) Texas A&M University; or

(3) Texas Tech University.

(c) To carry out the purposes of this section, for each institution of higher education listed under Subsection (b), the board shall include in the formulas established under Section 61.059 funding in amounts sufficient to cover the institution's

1 revenue loss resulting from any reduction in tuition rates under  
2 Section 54.061.

3 (d) In addition to the funding included under Subsection  
4 (c), in the formulas established under Section 61.059, as an  
5 incentive for the institutions to reduce tuition rates under  
6 Section 54.061, the board may include additional funding that  
7 represents a portion of the savings to the state resulting from the  
8 institution's efficient use of resources.

9 SECTION 2. Subchapter B, Chapter 54, Education Code, is  
10 amended by adding Section 54.061 to read as follows:

11 Sec. 54.061. REDUCED DESIGNATED TUITION RATES FOR COURSES  
12 PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) This  
13 section applies only to a course offered by an institution of higher  
14 education:

15 (1) beginning at 6 p.m. or later during a weekday;

16 (2) on weekends; or

17 (3) at other times when the institution's  
18 instructional facilities would otherwise be underutilized, as  
19 determined by the governing board of the institution.

20 (b) In accordance with coordinating board rules and for the  
21 purposes stated in Section 61.0592, the governing board of an  
22 institution of higher education to which Section 61.0592 applies  
23 may establish tuition rates under Section 54.0513 for a course  
24 described by Subsection (a) that are not more than 25 percent lower  
25 than the rates that would otherwise apply to the course under that  
26 section.

27 (c) This section applies only if the legislature

1 specifically appropriates money to institutions to which Section  
2 61.0592<sup>✓</sup> applies for the state fiscal biennium ending August 31,  
3 2009, to cover the tuition revenue lost to the institutions by the  
4 application of this section.

5         SECTION 3. As soon as practicable after the effective date  
6 of this Act, the Texas Higher Education Coordinating Board shall  
7 adopt rules under which public institutions of higher education may  
8 establish lower tuition rates in accordance with Section 54.061<sup>✓</sup>,  
9 Education Code, as added<sup>✓</sup> by this Act.

10         SECTION 4. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2007.

# SENATE AMENDMENTS

07 MAY 21 PM 3:31

2<sup>nd</sup> Printing

HOUSE OF REPRESENTATIVES

By: Brown of Brazos

H.B. No. 120

## A BILL TO BE ENTITLED

### AN ACT

relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0592 to read as follows:

Sec. 61.0592. FUNDING FOR COURSES PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) The purposes of this section are:

(1) to ensure that student demand for courses is met;

and

(2) to encourage the efficient use of existing instructional facilities while reducing the need for new instructional facilities.

(b) This section applies only to funding for a course provided by:

(1) The University of Texas at Austin;

(2) Texas A&M University; or

(3) Texas Tech University.

(c) To carry out the purposes of this section, for each institution of higher education listed under Subsection (b), the board shall include in the formulas established under Section 61.059 funding in amounts sufficient to cover the institution's

1 revenue loss resulting from any reduction in tuition rates under  
2 Section 54.061.

3 (d) In addition to the funding included under Subsection  
4 (c), in the formulas established under Section 61.059, as an  
5 incentive for the institutions to reduce tuition rates under  
6 Section 54.061, the board may include additional funding that  
7 represents a portion of the savings to the state resulting from the  
8 institution's efficient use of resources.

9 SECTION 2. Subchapter B, Chapter 54, Education Code, is  
10 amended by adding Section 54.061 to read as follows:

11 Sec. 54.061. REDUCED TUITION RATES FOR COURSES PROVIDED  
12 DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. In accordance with  
13 coordinating board rules and for the purposes stated in Section  
14 61.0592, the governing board of an institution of higher education  
15 to which Section 61.0592 applies may establish resident and  
16 nonresident tuition rates that are lower than the applicable rates  
17 otherwise required or authorized by this chapter for a course  
18 offered:

19 (1) during the evening;

20 (2) on weekends; or

21 (3) at other times that the institution's  
22 instructional facilities would otherwise be underutilized, as  
23 determined by the board.

24 SECTION 3. As soon as practicable after the effective date  
25 of this Act, the Texas Higher Education Coordinating Board shall  
26 adopt rules under which public institutions of higher education may  
27 establish lower tuition rates in accordance with Section 54.061,

1 Education Code, as added by this Act.

2       SECTION 4. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2007.



# ADOPTED

MAY 18 2007

By: Brown / Shapiro

Latoy Shaw  
Secretary of the Senate

H.B. No. 120

Substitute the following for H.B. No. 120:

By: WJ

C.S. H.B. No. 120

## A BILL TO BE ENTITLED

### AN ACT

relating to state funding and designated tuition charged for courses provided during off-peak hours at certain public institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0592 to read as follows:

Sec. 61.0592. FUNDING FOR COURSES PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) The purposes of this section are:

(1) to ensure that student demand for courses is met;

and

(2) to encourage the efficient use of existing instructional facilities while reducing the need for new instructional facilities.

(b) This section applies only to funding for a course provided by:

(1) The University of Texas at Austin;

(2) Texas A&M University; or

(3) Texas Tech University.

(c) To carry out the purposes of this section, for each institution of higher education listed under Subsection (b), the board shall include in the formulas established under Section 61.059 funding in amounts sufficient to cover the institution's

1 revenue loss resulting from any reduction in tuition rates under  
2 Section 54.061.

3 (d) In addition to the funding included under Subsection  
4 (c), in the formulas established under Section 61.059, as an  
5 incentive for the institutions to reduce tuition rates under  
6 Section 54.061, the board may include additional funding that  
7 represents a portion of the savings to the state resulting from the  
8 institution's efficient use of resources.

9 SECTION 2. Subchapter B, Chapter 54, Education Code, is  
10 amended by adding Section 54.061 to read as follows:

11 Sec. 54.061. REDUCED DESIGNATED TUITION RATES FOR COURSES  
12 PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) This  
13 section applies only to a course offered by an institution of higher  
14 education:

15 (1) beginning at 6 p.m. or later during a weekday;  
16 (2) on weekends; or  
17 (3) at other times when the institution's  
18 instructional facilities would otherwise be underutilized, as  
19 determined by the governing board of the institution.

20 (b) In accordance with coordinating board rules and for the  
21 purposes stated in Section 61.0592, the governing board of an  
22 institution of higher education to which Section 61.0592 applies  
23 may establish tuition rates under Section 54.0513 for a course  
24 described by Subsection (a) that are not more than 25 percent lower  
25 than the rates that would otherwise apply to the course under that  
26 section.

27 (c) This section applies only if the legislature

1 specifically appropriates money to institutions to which Section  
2 61.0592 applies for the state fiscal biennium ending August 31,  
3 2009, to cover the tuition revenue lost to the institutions by the  
4 application of this section.

5         SECTION 3. As soon as practicable after the effective date  
6 of this Act, the Texas Higher Education Coordinating Board shall  
7 adopt rules under which public institutions of higher education may  
8 establish lower tuition rates in accordance with Section 54.061,  
9 Education Code, as added by this Act.

10         SECTION 4. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2007.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 14, 2007**

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB120** by Brown, Fred (Relating to state funding and designated tuition charged for courses provided during off-peak hours at certain public institutions of higher education.),  
**Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB120, Committee Report 2nd House, Substituted: a negative impact of (\$38,612,518) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	(\$19,306,259)
2009	(\$19,306,259)
2010	(\$19,306,259)
2011	(\$19,306,259)
2012	(\$19,306,259)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain/(Loss) from INSTITUTIONAL FUNDS 997</b>
2008	(\$19,306,259)	(\$19,306,259)
2009	(\$19,306,259)	(\$19,306,259)
2010	(\$19,306,259)	(\$19,306,259)
2011	(\$19,306,259)	(\$19,306,259)
2012	(\$19,306,259)	(\$19,306,259)

**Fiscal Analysis**

Under provisions of the bill, the University of Texas at Austin, Texas A&M University and Texas Tech may offer lower reduced tuition rates for courses during off-peak hours.

**Methodology**

The Higher Education Coordinating Board used the following assumptions to calculate the tuition losses to the three schools: 1) The three institutions would actually offer off-peak courses. 2) That 15% of the students currently enrolled actually sign up for the off-peak courses. 3) The reduction in tuition rates would be 25%. 4) That undergraduate courses would be offered during off-peak hours. 5) It is unknown the additional dollar savings that may occur with courses offered off-peak. 6) No

consideration was given to the institutions that currently offer flat rate tuition and the implications a reduction in tuition may entail. Flat-rate tuition rates vary depending on the student's institution, program, classification and rates they currently pay and as a result the fiscal impact on reductions in flat-rate tuition cannot be estimated.

Using these criteria the Coordinating Board calculated that for Texas A&M, a 25% discount will cost the school \$7,217,028 per year in tuition losses. For the University of Texas at Austin, a 25% discount will cost the school \$8,085,030 per year, and for Texas Tech, a 25% discount will cost the school \$4,004,201 per year. The total for these three institutions, at a 25% discount, will cost \$19,306,259 per year. To the extent that the State reimburses the estimated tuition losses under the current formulas the impacted institutions would have increased formula general revenue as compared to institutions that do not offer the reduced tuition rates.

Based on the following language in the bill, "This section applies only if the legislature specifically appropriates money to institutions to which Section 61.0592 applies for the state fiscal biennium ending August 31, 2009, to cover the tuition revenue lost to the institutions by the application of this section," it is assumed that an equivalent amount of general revenue funds would be needed to reimburse the university for the loss of designated tuition revenue.

#### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 733 Texas Tech University

**LBB Staff:** JOB, MN, RT, SSh, GO

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 2, 2007**

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB120** by Brown, Fred (Relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

Under provisions of the bill, the University of Texas at Austin, Texas A&M University and Texas Tech may offer lower reduced tuition rates for courses during off-peak hours. The Higher Education Coordinating Board used the following assumptions to calculate the tuition losses to the three schools: 1) The three institutions would actually offer off-peak courses. 2) That 15% of the students currently enrolled actually sign up for the off-peak courses. 3) The reduction in tuition rates would be 15%. 4) That both undergraduate and graduate courses would be offered during off-peak hours. 5) It is unknown the additional dollar savings that may occur with courses offered off-peak. 6) No consideration was given to the institutions that currently offer flat rate tuition and the implications a reduction in tuition may entail. Flat-rate tuition rates vary depending on the student's institution, program, classification and rates they currently pay and as a result the fiscal impact on reductions in flat-rate tuition cannot be estimated.

Using these criteria the Coordinating Board calculated that for Texas A&M, a 15% discount will cost the school \$11,290,248 per year in tuition losses. For the University of Texas at Austin, a 15% discount will cost the school \$13,265,393 per year, and for Texas Tech, a 15% discount will cost the school \$6,921,869 per year. The total for these three institutions, at a 15% discount, will cost \$31,477,510 per year. To the extent that the State reimburses the estimated tuition losses under the current formulas the impacted institutions would have increased formula general revenue as compared to institutions that do not offer the reduced tuition rates.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 733 Texas Tech University, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, SSh, GO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 16, 2007**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB120** by Brown, Fred (Relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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Under provisions of the bill, the University of Texas at Austin, Texas A&M University and Texas Tech may offer lower reduced tuition rates for courses during off-peak hours. The Higher Education Coordinating Board used the following assumptions to calculate the tuition losses to the three schools: 1) The three institutions would actually offer off-peak courses. 2) That 15% of the students currently enrolled actually sign up for the off-peak courses. 3) The reduction in tuition rates would be 15%. 4) That both undergraduate and graduate courses would be offered during off-peak hours. 5) It is unknown the additional dollar savings that may occur with courses offered off-peak. 6) No consideration was given to the institutions that currently offer flat rate tuition and the implications a reduction in tuition may entail. Flat-rate tuition rates vary depending on the student's institution, program, classification and rates they currently pay and as a result the fiscal impact on reductions in flat-rate tuition cannot be estimated.

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**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 733 Texas Tech University, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, SSh, GO

4

## ENROLLMENT

H.B. No. 120

### AN ACT

relating to state funding and designated tuition charged for courses provided during off-peak hours at certain public institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0592 to read as follows:

Sec. 61.0592. FUNDING FOR COURSES PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) The purposes of this section are:

(1) to ensure that student demand for courses is met;

and

(2) to encourage the efficient use of existing instructional facilities while reducing the need for new instructional facilities.

(b) This section applies only to funding for a course provided by:

(1) The University of Texas at Austin;

(2) Texas A&M University; or

(3) Texas Tech University.

(c) To carry out the purposes of this section, for each institution of higher education listed under Subsection (b), the board shall include in the formulas established under Section 61.059 funding in amounts sufficient to cover the institution's



1 revenue loss resulting from any reduction in tuition rates under  
2 Section 54.061.

3 (d) In addition to the funding included under Subsection  
4 (c), in the formulas established under Section 61.059, as an  
5 incentive for the institutions to reduce tuition rates under  
6 Section 54.061, the board may include additional funding that  
7 represents a portion of the savings to the state resulting from the  
8 institution's efficient use of resources.

9 SECTION 2. Subchapter B, Chapter 54, Education Code, is  
10 amended by adding Section 54.061 to read as follows:

11 Sec. 54.061. REDUCED DESIGNATED TUITION RATES FOR COURSES  
12 PROVIDED DURING OFF-PEAK HOURS AT CERTAIN INSTITUTIONS. (a) This  
13 section applies only to a course offered by an institution of higher  
14 education:

15 (1) beginning at 6 p.m. or later during a weekday;  
16 (2) on weekends; or  
17 (3) at other times when the institution's  
18 instructional facilities would otherwise be underutilized, as  
19 determined by the governing board of the institution.

20 (b) In accordance with coordinating board rules and for the  
21 purposes stated in Section 61.0592, the governing board of an  
22 institution of higher education to which Section 61.0592 applies  
23 may establish tuition rates under Section 54.0513 for a course  
24 described by Subsection (a) that are not more than 25 percent lower  
25 than the rates that would otherwise apply to the course under that  
26 section.

27 (c) This section applies only if the legislature

1 specifically appropriates money to institutions to which Section  
2 61.0592 applies for the state fiscal biennium ending August 31,  
3 2009, to cover the tuition revenue lost to the institutions by the  
4 application of this section.

5         SECTION 3. As soon as practicable after the effective date  
6 of this Act, the Texas Higher Education Coordinating Board shall  
7 adopt rules under which public institutions of higher education may  
8 establish lower tuition rates in accordance with Section 54.061,  
9 Education Code, as added by this Act.

10         SECTION 4. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2007.

H.B. No. 120

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President of the Senate

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Speaker of the House

I certify that H.B. No. 120 was passed by the House on April 19, 2007, by the following vote: Yeas 140, Nays 2, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 120 on May 22, 2007, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 120 was passed by the Senate, with amendments, on May 18, 2007, by the following vote: Yeas 29, Nays 0.

---

Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

---

Governor

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 120<sup>✓</sup> was passed by the House on  
(1)

April 19<sup>✓</sup>, 2007, by the following vote:  
(2)

Yeas 140<sup>✓</sup>, Nays 2<sup>✓</sup>, 1 present, not voting<sup>✓</sup>;  
(3) (4)

and that the House concurred in Senate amendments to H.B. No. 120<sup>✓</sup>  
on May 22<sup>✓</sup>, 2007, by the following vote:  
(5)

Yeas 141<sup>✓</sup>, Nays 0<sup>✓</sup>, 2 present, not voting<sup>✓</sup>.  
(6) (7)

\_\_\_\_\_  
Chief Clerk of the House

\*\*\*\* Preparation: CT31

I certify that H.B. No. 120<sup>✓</sup> was passed by the Senate, with  
(1)

amendments, on May 18<sup>✓</sup>, 2007, by the  
(2)

following vote: Yeas 29<sup>✓</sup>, Nays 0<sup>✓</sup>.  
(3) (4)

\_\_\_\_\_  
Secretary of the Senate

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

\*\*\*\* Preparation: CT32

H.B. No. 120

By Ked Brown

A BILL TO BE ENTITLED  
AN ACT

relating to state funding and tuition charged for courses provided during off-peak hours at certain public institutions of higher education.

NOV 13 2006 Filed with the Chief Clerk

JAN 30 2007 Read first time and referred to Committee on Higher Education

APR 04 2007 Reported favorably (~~as amended~~)  
(~~as substituted~~)

APR 11 2007 Sent to Committee on (Calendars)  
(~~Local & Consent Calendars~~)

APR 18 2007 Read second time (~~as amended~~) (~~as substituted~~); passed to third reading (~~failed~~) by a (non-record vote)  
(record vote of 140 yeas, 2 nays, 1 present, not voting)

APR 19 2007 Constitutional rule requiring bills to be read on three several days suspended (failed to suspend)  
by a vote of 140 yeas, 2 nays, 1 present, not voting

APR 19 2007 Read third time (~~as amended~~); finally passed (~~failed to pass~~) by a (~~non-record vote~~)  
(record vote of 140 yeas, 2 nays, 1 present, not voting)

APR 19 2007 Engrossed

APR 23 2007 Sent to Senate

Robert Haney  
CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

APR 23 2007 Received from the House

APR 26 2007 Read and referred to Committee on SUBCOMMITTEE ON HIGHER EDUCATION

APR 26 2007 Reported favorably

MAY 15 2007 Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

MAY 15 2007 Ordered not printed

MAY 15 2007 Laid before the Senate

MAY 18 2007 Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)  
(unanimous consent) (yeas, nays)

MAY 18 2007 Read second time, and passed to third reading by (unanimous consent)  
(a viva voce vote) (yeas, nays)

MAY 18 2007 Senate and Constitutional 3 Day Rules suspended by a vote of 29 yeas, 0 nays

MAY 18 2007 Read third time, and passed by a (viva voce vote)  
(29 yeas, 0 nays)

May 21, 2007 Returned to the House

OTHER SENATE ACTION:

Atsuy Spaw  
SECRETARY OF THE SENATE

MAY 21 2007

Returned from the Senate (as substituted)

(~~with amendments~~)

MAY 22 2007

House concurred in Senate amendments by a ~~( )~~

(record vote of 141 yeas, 0 nays, 2 present, not voting)

House refused to concur in Senate amendments and requested the appointment of a conference committee by a (non-record vote) (record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

House conferees appointed: \_\_\_\_\_, Chair; \_\_\_\_\_,

Senate granted House request. Senate conferees appointed: \_\_\_\_\_, Chair; \_\_\_\_\_,

Conference committee report adopted (rejected) by the House by a (non-record vote) (record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

Conference committee report adopted (rejected) by the Senate by a (viva voce vote) (record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays)

07 MAY 21 PM 3:31

HOUSE OF REPRESENTATIVES

07 APR 11 AM 2:05

HOUSE OF REPRESENTATIVES